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RUEHRI/AMCONSUL RIO DE JANEIRO 4385
RUEHSO/AMCONSUL SAO PAULO 9872
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RUEAIIA/CIA WASHDC
RHEHNSC/NSC WASHDC
RUEANHA/FAA NATIONAL HQ WASHINGTON DC
RUEAYVF/FAA MIAMI ARTCC MIAMI FL
RUWDQAB/NTSB WASHINGTON DC
RUEKJCS/SECDEF WASHDC
RUEWMFU/TSA HQ WASHINGTON DC

C O N F I D E N T I A L SECTION 01 OF 03 BRASILIA 000872

SIPDIS

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BUENOS AIRES FOR TSA - OCHOA
STATE FOR EB/TRA: JHORWITZ, JREIFMAN, KGUSTAFSON
TSA FOR VICKI REEDER, SUSAN HASMAN

SIPDIS
FAA FOR C. TERE FRANCESCHI, CECILIA CAPESTANY, MAYTE ASHBY
DOT FOR BRIAN HEDBERG
NTSB FOR BOB MACINTOSH AND BILL ENGLISH

E.O. 12958: DECL: 5/11/2017
TAGS: [FAIR](#) [PGOV](#) [CASC](#) [BR](#)
SUBJECT: BRAZIL: PMDB PLAYED HARDBALL WITH AIR TRAFFIC
INQUIRY IN BID FOR SPOILS

REF: A. BRASILIA 485

[1](#)B. BRASILIA 598
[1](#)C. BRASILIA 600

Classified By: Political Counselor Dennis W. Hearne, reasons 1.4 b/d

[1](#)1. (SBU) Summary. The Brazilian Democratic Movement Party (PMDB) leadership used a threat of non-cooperation with the government in the Chamber of Deputies' just-created Parliamentary Inquiry Committee (CPI) on the Air Traffic Crisis to pressure the Lula administration for jobs in the second tier of government. The PMDB leadership had threatened to place four deputies on the CPI who could be counted on to work against the government's position. The threat did not work, and the party appears to have retreated from linking its role in the CPI to political spoils. With the jobs issue still unresolved, about a third of the ninety-some PMDB Federal Deputies are threatening obstruction in the Chamber of Deputies in order to pressure the government for jobs. But the deputies are not going to try to achieve their goals by manipulating the CPI, group spokesman Federal Deputy Eduardo Cunha (PMDB, Rio de Janeiro) said, according to a May 15 Correio Braziliense story. The PMDB's threat to politicize the CPI had strengthened the likelihood, still present, that the CPI's conclusions could be a whitewash that blames American pilots for last September's midair collision between an Embraer Legacy jet and Gol flight 1907, resulting in Brazil's worst commercial air disaster and the loss of 154 lives. That scenario seems less likely than at the end of last week, but we will not know for sure for some time. The episode serves as a reminder that most of the PMDB is a non-ideological, spoils-oriented organization that places its own interests first. End summary.

¶2. (SBU) On May 10 the CPI ordered the American pilots of the Embraer Legacy jet to provide testimony. Their Brazilian lawyer already has stated that the pilots are unlikely to return from the U.S. simply to testify before a CPI; they are also under indictment here. As it investigates the causes of the Legacy/Gol crash, the CPI could opt not to delve deeply into alleged failings in Brazilian air traffic control, and in its conclusions blame the accident entirely on the American pilots. This scenario would leave Lula's image relatively unscathed. In a scenario less favorable to Lula, the CPI would embarrass the government by revealing mismanagement of air traffic control and airports. While the position of other coalition deputies is probably predictably in line with a government attempt to control damage, the same cannot yet be said of the PMDB deputies. Opposition deputies will probably try to reveal as much information as possible that could damage the Lula administration. Whether the CPI attributes all blame for the accident to the Americans or also blames Brazilians could depend in part on what, if any, instructions the PMDB deputies receive from their party leadership.

PMDB Wants Top Jobs in Second Tier; Threatened
Non-Cooperation in CPI

¶3. (SBU) According to press reports and an informed congressman who discussed the issue with poloff, the PMDB leadership threatened the Lula administration with an uncooperative stance in the CPI. This could increase the CPI's damage to the government if it does not meet the PMDB's demands for second-tier federal jobs. The PMDB recently parlayed its good showing at the polls last October into a

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hefty increase from two seats to five at the Cabinet table, and is now seeking to increase its control over more posts and resources. There are dozens of second-tier directorships at stake, including public utilities, transportation, financial bodies, public infrastructure, and other government organizations. In turn, the new directors can create a cascade of spoils by appointing party cronies as managers deep down into the organizations, affecting thousands of jobs. According to the April 16, 2007, edition of Epoca magazine, there are 24,000 such jobs (cargos comissionados) in the federal government.

Congressman: PMDB Tried to "Extort" Government

¶4. (C) Federal Deputy Raul Henry (PMDB, Pernambuco) (protect), one of a handful of PMDB deputies who usually votes against his party and with the opposition, told poloff on May 10 that the PMDB leadership attempted "extortion" to achieve its goals. PMDB President Michel Temer, a Federal Deputy from Sao Paulo, and PMDB Chamber leader Henrique Eduardo Alves, from Rio Grande do Norte, offered the government two slates of deputies for the CPI on the Air Traffic Crisis, a "hard" one and a "soft" one. The hard slate was composed of deputies who could be relied upon to take their investigatory duties seriously and go rough on the government. The soft slate was composed of yes-men who would go along with the government's damage control efforts. If the government did not accede to PMDB demands for second-tier jobs, Henry said, the PMDB would install its hard slate in the CPI. As it turned out, though, after a Supreme Court ruling that ordered the Chamber to establish the CPI, the CPI started its work before the second-tier jobs issue was resolved. The PMDB was prematurely forced to decide which slate it would put forward. Henry said the PMDB leaders opted for the soft slate, probably in anticipation that it would increase the party's chances of doing well in the appointments process. Putting forward the hard slate would have been counterproductive, effectively punishing the

government in advance when the jobs outcome was still unknown. With the jobs issue still unresolved but the soft slate installed, the PMDB was threatening rebellion in the CPI if its demands were not satisfied, according to press reports on May 11. (Note: The PMDB was already dissatisfied, as a Chamber vote this week on federal funds for cities revealed; this threat raised the ante for the government.) By May 15 the situation appeared different: Federal Deputy Eduardo Cunha, a spokesman for PMDB deputies threatening obstruction, said the party would not force the jobs issue through the CPI. On May 15 poloff checked this with Nivaldo Ferreira, a adviser in the PMDB's offices in the Chamber of Deputies. He said the pressure for federal jobs comes both from the leadership as well as the backbench deputies, but the party will not condition its behavior in the CPI on jobs, adding that the PMDB supports the government and will be responsive to it.

Government Deputies on CPI Will Try to Divert Attention from Real Shortcomings

15. (SBU) Still, the PMDB's threats could yield fruit because the government is vulnerable to damage by the CPI's findings, and PMDB bad behavior would be harmful. One way for the government to minimize the public and institutional damage is to blame others. Jornal do Brasil political columnist Anna Ramalho pointed this out on May 14. She said government deputies on the CPI are trying to focus the

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investigation of the Gol crash on the American pilots in order to divert attention from shortcomings in the Brazilian air traffic control system, which falls under the Brazilian Air Force.

16. (U) Government coalition deputies hold 16 seats on the CPI, and the opposition holds eight. The PMDB holds the chairmanship, and three seats on the 24-member committee. The chairman may vote only to break a tie. The Workers Party (PT), the party of president Luiz Inacio Lula da Silva, holds four seats, including the critical role of rapporteur.

Senate to Open Own Air Traffic Investigation

17. (C) On the other side of Congress, the Senate is preparing to open its own CPI into the air traffic crisis. Poloff spoke with Senator Sergio Guerra (Brazilian Social Democracy Party, Pernambuco) (protect) on May 10. Asked about his expectations of the Senate's CPI, Guerra said only that "the CPI should not be an anti-corruption CPI." He felt it should focus on the specific problems affecting air traffic, although it may discover corruption in process. He did not comment on a possible Senate CPI interest in the role of the American pilots. (Note: Ref B reported a Federal Deputy's expectation that corruption would be a major focus of an air traffic CPI.) Another leading opposition figure, Senator Antonio Carlos Magalhaes (Democrats, Bahia), was probably alluding to the PMDB's tactics when he said in the plenary on May 14 that the Senate's CPI will be "serious and impartial" because the Senators do not want to "trade their consciences for emoluments from the government." He insisted that the Senate CPI must not spare from scrutiny the National Civil Aviation Agency (ANAC), the airports administration (Infraero), the Air Force, or the airlines.

18. (C) Comment: The PMDB leadership's pressure tactics reconfirm the party's strong tendency to put its own welfare above ideology or the national interest. This is business as usual for the PMDB and a number of other non-ideological parties. Although Lula arguably had no alternative, in acceding to PMDB demands for a large role in the cabinet, he reinforced the spoils system and let the camel's nose into the tent for his second term. As the largest party in both

houses of Congress, the PMDB will probably offer more such examples of "extortion," as Deputy Henry put it, trying the government's patience and reinforcing the system. If it is true the PMDB has backed away from conditioning its deputies' behavior in the CPI on spoils at the federal trough, we may have had a "near miss" that could have been unfair to the American pilots. Regardless, the PMDB's attempted politicization of the CPI bodes ill for a dispassionate rendering of the facts in the Legacy/Gol 1907 crash.

Sobel